

**MINISTRY OF DEFENCE & MILITARY VETERANS**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**663. Mr S J F Marais (DA) to ask the Minister of Defence and Military Veterans:**

(1) What progress has her department made with the handing over of the dockyards to Denel;

(2) has Denel’s financial challenges and the National Treasury requirements relating to the handing over of the dockyards been resolved; if not, (a) what are the persistent challenges, (b) how will they be resolved to ensure the commencement of the projects and (c) on what date will the projects commence;

(3) whether there are any financial risks if the awarded tenders to two certain companies (names furnished) cannot commence; if not, what is the position in this regard; if so, what will the costs be in each case? NW737E

**RESPONSE**

Denel was given until the 28 February 2018 to meet the suspensive conditions of securing a strategic partner in the Dockyard Transfer. On the basis that the deadline was not met, the Minister of Defence and Military Veterans determined that no further extensions be granted and that the transfer process be cancelled. Armscor continues to manage the Dockyard and deliver maintenance services of the SA Navy vessels. Armscor is now tasked with pursuing the renewal strategy of the Dockyard.

The two tenders relating to Project Hotel and Biro are standalone projects and have no interface with the Dockyard Transfer.